



INSURANCE FRAUD INVESTIGATION DIVISION
Kentucky Department of Insurance
909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050
Phone 502-564-1461 – FAX 502-564-1464
Fraud Statistics/Convictions Activity
June 2013

<u>Fraud Statistics</u>		<u>Month/June</u>	<u>YTD</u>
Total Referrals Received.....		107	841
Closed Referrals.....		46	498
Open Cases (Investigations – includes prior years).....			336
Assigned Cases (Investigations).....		76	126
Closed Cases (Investigations).....		53	124
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....			1
Charges (75 felony, 5 misdemeanor)		80	135
Convictions (4 felony, 2 misdemeanor)		6	61
Restitution Ordered.....	\$	19,034.14	120,891.78
Restitution Agreed.....	\$.00	.00
Restitution Total.....	\$	19,034.14	120,891.78
Investigation Expenses to Division			
Awarded.....	\$.00	15,024.01
Collected.....	\$	386.41	23,449.49
DOI Fines.....	\$.00	.00
Administrative Subpoenas Issued.....		1	14
Non-Licensed Individuals.....		1	14
Licensed (active/inactive individuals).....			
Subpoenas Received.....		1	16

Convictions – June 2013

Jeffrey Osborne

Osborne claimed he was in an automobile accident but the investigation showed he was not in the vehicle. Osborne pleaded guilty to two counts of fraudulent insurance acts over \$300 in Floyd County Circuit Court. He was sentenced to five years on count one and five years on count two, with sentences to run concurrently. Osborne was ordered to pay restitution of \$673.26 to Medzone Pharmacy and \$1,814.48 to Highlands Regional Medical Center.

Osborne also pleaded guilty to two charges in Johnson County and was sentenced to five years on the first count of fraudulent insurance acts over \$300 and one year on the second count of attempt to obtain a controlled substance by fraud. The sentences were to run concurrently. He was ordered to pay restitution of \$4,013 to Kentucky Mountain Health.

Debbie Toole-Stewart

Toole-Stewart presented wage loss forms alleging she was employed when she was not. Toole-Stewart pleaded guilty to a charge of attempted fraudulent insurance acts over \$500. She was sentenced to 365 days to be conditionally discharged in two years. She was ordered to pay \$765 in restitution to State Farm.

Teddy Leach

Leach was investigated for a suspicious fire loss. Leach pleaded guilty to the charge of criminal attempt to commit fraudulent insurance acts. He was sentenced to 12 months incarceration, but imposing of the sentence was withheld. It was ordered that Leach be sentenced to a period of conditional discharge of two years or until restitution of \$11,768.40 has been paid in full to State Farm.